

MAYOR'S NOTES

STAR Program Change Raises Serious Questions

The modification to the STAR exemption program contained in the 2016-2017 New York State budget will not provide additional, timely savings or relief from the onerous school tax burden that our state and executive officials say they are addressing. The program is at odds with the rhetoric being spun by them, imposes burdens on new home buyers that is severe, and worse, the implementation guidelines are lacking to allow for access by those affected. It shifts the potential blame and complaints away from the level of government that created it.

Thousands of purchasers of new homes in our municipalities after March 2, 2015, will no longer have a STAR reduction directly applied to their school tax bills. They will be required to pay the full tax bill up front, and then apply for an advance payment of the credit (for 2016 only), and in subsequent years, will be required to apply for a personal income tax credit on their NYS income tax filing.

Many retirees who are downsizing will have trouble paying their income taxes, would be forced to request a credit on their taxable income, and for those senior citizens who do not itemize their deductions, will be paying taxes on the additional income. It will appear like the state government is directly giving tax refund checks to taxpayers. Further, it will appear like the county, towns, villages, schools, libraries, and safety organizations are taking more taxes from their local residents. Your local elected representatives will be blamed for another smoke and mirror program that we didn't create, but will have to justify to our constituents.

It is difficult to understand why this program change was incorporated into the 2016-2017 budget. The STAR program, implemented by former Governor Pataki, permitted a direct reduction in the actual tax paid to the taxing jurisdiction. This unwarranted and unnecessary change places a new burden on taxpayers impacted by this change. They will have to apply for and then wait for a reimbursement that was previously provided as direct tax relief. This change impacts escrow accounts, and will result in shortages in newly minted escrow accounts, potentially resulting in loan delinquencies.

For senior and new home purchasers, this new STAR modification does not provide relief – it provides additional paperwork to achieve what cannot be guaranteed as the same degree of tax relief. What makes matters worse, no guidelines have been developed for local assessors. Questions posed to the NYS Department of Taxation and Finance go unanswered because no one had the forethought to develop implementation guidelines for the coming tax season.

Rather than creating a new and overly complicated shell game with our tax dollars, why can't our legislators come up with true, effective, and consistent tax relief for home owners and seniors. Why change a system that has been working?

I encourage you to ask your state legislators what are their views on this STAR rebate program modification, a justification of why they supported it with their votes, and ask them for a commitment to reach out to affected agencies and local governments to assist them with the development of guidelines to implement the program they created.

If you want to read this or past Mayor's Notes, you can find them on the Village website: <http://altamontvillage.org/>. You also may call me at Village office at 861-8554 (X 10) or e-mail me at altamontmayor@aol.com.